CERRADO
GOLD INC.

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in US dollars)

2024

INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") dated April 30, 2025 is a review of the business activities and overview of financial position for Cerrado Gold Inc. ("Cerrado" or the "Company") for the years ended December 31, 2024 and 2023. The MD&A should be read in conjunction with the Consolidated Financial Statements (the "Cerrado Financial Statements") for the years ended December 31, 2024 and 2023, which were prepared in accordance with IFRS Accounting Standards, as issued by the International accounting Standards Board ("IASB).

This MD&A also reports on items deemed significant that occurred between December 31, 2024 and the date on which the MD&A is approved by the Company's Board of Directors, which is April 30, 2025, inclusively.

The information provided in this MD&A and the audited consolidated financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited financial statements.

Unless otherwise indicated, all reference to "dollar" or the use of the symbol "$" are to the United States dollar in this Management Discussion and Analysis.

FORWARD-LOOKING STATEMENT AND USE OF ESTIMATES

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Company with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this MD&A is qualified by this cautionary note. Detailed information regarding risks and uncertainties is provided in the Risk and Uncertainties section of the MD&A.

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that affect the amounts of the assets, liabilities, and expenses reported in the consolidated financial statements.

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates could differ from original assumptions and estimates.

COMPANY OVERVIEW & BACKGROUND

Cerrado is a public gold mining and exploration company with assets in Argentina, Brazil and Canada. Cerrado began trading on the TSX Venture Exchange on February 25, 2021 under the symbol "CERT".

In Argentina, Cerrado is focused on its producing Minera Don Nicolás gold mine ("MDN") located in the mineral rich Deseado Massif in the province of Santa Cruz, Argentina. MDN has been in production since 2017. The gold deposits at MDN are classified as epithermal gold vein style deposits typical of the region which is host to numerous large-scale gold operations.

On December 23rd, 2024, Cerrado announced that MDN granted to Cerro Vanguardia S.A. ("CVSA") a wholly-owned subsidiary of AngloGold Ashanti Holdings Plc, the option ("Option") to purchase a 100% interest in certain properties (the "Michelle Properties") located in the south west region of MDN's Minera Don Nicolas Project in Santa Cruz, Argentina, for total consideration of the Argentina peso equivalent of $14 million (the "Option Price"), subject to the fulfilment of certain conditions. The Option Agreement was ratified December 23, 2024, with effect December 18, 2024. The Option Price is payable in the following stages:

- $4 million equivalent in Argentina pesos at the Carnival Corporation (CCL) Buyers rate upon grant of the Option), which was received on December 30th, 2024; and

- $10 million equivalent in Argentina pesos at the CCL Buyers rate if CVSA exercises of the Option within 3 years.

CVSA may exercise the Option at its sole discretion at any time within three (3) years unless earlier terminated (the "**Option Period**") by providing an exercise notice to MDN and paying the exercise price of the Argentina pesos equivalent of $10 million. During the Option Period CVSA will take operational control of the Michelle Properties.

As of November 6, 2024 the Company completed the sale of its 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil to Amarillo Mineração do Brasil Ltda. ("Amarillo"), a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild"), in connection with the exercise of its option (the "Option") pursuant to an option agreement entered into on March 5, 2024 (the "Option Agreement")(the "Transaction"). In connection with the closing of the Transaction, Cerrado received closing cash payments totaling $30 million from Amarillo, in addition to the $15 million that was previously received in connection with granting the Option, for total consideration of $60 million (approximately C$83 million). Pursuant to the terms of the Option Agreement, Amarillo shall make two further payments to Cerrado, totaling $15 million in aggregate, as follows:

- $10 million payable within 14 days of the second anniversary of the date of the Cerrado shareholder approval (being July 11, 2026); and
- $5 million within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) March 31, 2027.

The two further payments due from Amarillo are guaranteed by Hochschild pursuant to the Option Agreement.

In Canada, since the acquisition of Voyager Metals effective May 31, 2023, the Company has continued work developing the Mont Sorcier High grade Iron project in Roy Township, Quebec, 18 km east of the Town of Chibougamau. The Company published an NI 43-101 compliant Preliminary Economic Assessment on the project in July 2022 and has undertaken additional metallurgical tests to confirm the ability to produce high purity 67% grade iron concentrate, up from an original expectation of 65%.

On December 4th, Cerrado provided an update on the progress of the metallurgical testing program reaffirming the ability to produce a DRI grade of 67% or better with combined silica and aluminum grades below 2.5%, which is highly desired by the growing green steel industry and for DRI steel production. While the overall iron ore concentrate markets growth rate is relatively low, demand for high grade material is growing at around 9-10% per annum based on industry publications, highlighting the numerous ESG advantages in the production of steel. This is expected to continue going forward supporting premium prices.

The company is now working to prepare the necessary work programs to complete a feasibility study and the related Environmental and Social Impact Assessment to bring the project towards a development decision over the next few years. The feasibility is underway and expected to be completed during Q1 2026.

Acquisition of Ascendant Resources

On February 3, 2025, the Company announced it has entered into an agreement to acquire all shares of Ascendant Resources Inc. (TSX: ASND) ("Ascendant") not already owned by Cerrado, through a plan of arrangement under the *Business Corporations Act* (Ontario). Assuming closing of the transaction with Ascendant, Cerrado would hold an 80% interest in the Lagoa Salgada Project in Portugal. Ascendant shareholders would receive one Cerrado share for every 7.8 Ascendant Common shares, with the transaction resulting in Ascendant shareholders other than Cerrado owning approximately 21% of the issued and outstanding common shares of Cerrado. Assuming conditions to closing the Ascendant transaction are satisfied, Cerrado will issue approximately 27.7 million common shares, bringing its total issued and outstanding common shares to approximately 131.4 million. Closing of the transaction is subject to the satisfaction of certain closing conditions and there is no assurance that it will close.

The Lagoa Salgada project, owned by Ascendant, is a well advanced, long-life, low-cost polymetallic VMS Project, with gold and silver accounting for approximately 34% of NSR, located in the prolific Iberian Pyrite Belt. In 2023, Ascendant completed a Feasibility Study (the "FS") in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, on Lagoa Salgada, which outlined a project with an after-tax NPV of $147 million and IRR of 39% generating approximately $75MM per annum in free cash flow over the first 5 years of operations. A new optimized feasibility study is anticipated to be completed by Ascendant in late summer 2025 and is expected to reflect improved metallurgical recoveries and overall economics.

Lagoa Salgada has been awarded "Project of National Interest" status from the Government of Portugal and approval of the recently submitted Environmental Impact Assessment ("EIA") is expected in the coming months. Ascendant is currently advancing an optimized feasibility study expected to further improve the project economics and be in a position to undertake a construction decision by year end. The optimization study has focused on improved metallurgical results and reducing up front capital requirements to support an inversion in the NPV to CAPEX ratio (see the press release of Ascendant dated December 11, 2024). Ascendant also continues to make significant progress with construction financing with access to low-cost Export Credit Agency project financing supported by UK Export Credit Agency and Banco Santander for up to 70% of capital expenditures.

The acquisition of the Lagoa Salgada Project and the Arrangement is expected to offer a number of significant benefits to Cerrado, including:

- Attractive valuation for a robust, well-defined, lowest quartile cost project with substantial near-term value creation opportunities.
- Adds further precious metals exposure (approx. 34% of Lagoa NSR) and additional critical minerals ownership to Cerrado.
- Project is expected to generate more than $75MM per year of Cash Flow once in operation, based on the existing FS.
- Cerrado is well-funded to complete the planned optimized feasibility study as well as progress exploration at the highly prospective Lagoa Salgada project, unlocking near term value for all shareholders.
- Construction decision expected in Q4 2025
- With funding requirements of less $5MM to deliver a construction decision, Cerrado has budgeted to exit 2025 with +$20MM in cash based on current operating and development budgets and debt reduction (not including payments due to Cerrado from Hochschild of $15M from asset sale and potential $10M option payment from Anglo Gold).
- Development and construction schedule converges well with timeline of Cerrado's existing portfolio at Minera Don Nicolas gold operations and planned development of the Mont Sorcier iron project.

Updated Mineral Resource Estimate and Preliminary Economic Assessment at Minera Don Nicolas

On August 6th, 2024 the Company released the results of a NI 43-101 Preliminary Economic Assessment ("PEA") and an updated Mineral Resource Estimate ("MRE") for its Minera Don Nicolas mine located in Santa Cruz Province, Argentina. The work was completed by GeoEstima SpA. The final report is completed and available on SEDAR+. The results show a robust cash generating operation producing approximately 56,000 GEO per annum over an initial five year mine life and represents the current development and operating plan for Minera Don Nicolas.

(Expressed in US dollars)

The key highlights are presented below

- After Tax NPV5% of $111 Million at $2,100/oz Au price
  - After Tax NPV5% of $153 Million at Spot prices[1]
- Average annual production targeted at approx. 56,000 Gold Equivalent Ounces ("GEO")[2]
- Life of Mine Average annual EBITDA of $49 Million and FCF of US$25 Million
  - LOM average EBITDA of $64 Million and FCF of $29 Million at Spot prices[1]
- Mine life of 5 years, from April 2024 based on existing Resources
- Average Cash Costs of $863/oz; Avg AISC $1,144/oz
- No Material Upfront Capital Expenditures required
- Updated Mineral Resource Estimate contains 490,000ozs of Measured and Indicated Resources and 121,150 ozs of Inferred Resources with potential upside from continued drilling & resource expansion

Notes

1. Spot prices; Au: US$2,400/oz and Ag:US$29/oz

2. GEO calculated by multiplying recovered silver ounces by (25/2100)

MDN is an established gold mining operation located in the province of Santa Cruz, Argentina. MDN is located in the prolific Deseado Masiff with exploration rights over 330K Ha. The operations commenced in 2019 as an open pit CIL operation with mineralized material produced from deposits in the Paloma and Martinetas regions which are mostly depleted of ready to mine resources. In 2023, MDN added a heap leach operation to process the mineralized material from Calandrias Sur open pit. The PEA is focused on the development and mining of the high grade Calandrias Norte open pit to be processed through the existing 1,000 tpd CIL plant until late 2024 and the ongoing operations and expansion of the Calandrias Sur heap leach operations until at least 2028. In addition, the PEA has envisaged the development of an initial small scale underground mining operation upon which future underground exploration is expected to extend the mine life; and the processing of low grade mined material in the Martinetas area from several stockpiles.

Mineral Resources

The PEA is based on the updated Mineral Resource Estimate (MRE), prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, completed by GeoEstima, with an effective date of April 1st, 2024, as presented below. It should be noted that Mineral Resources, which are not Mineral Reserves do not have demonstrated economic viability. This update reflects not only those resources assumed to be mined in the PEA but also other defined resources within the greater MDN property. Estimation of depleted satellite Mineral Resources was validated by Cerrado's Qualified Persons ("QPs"), as defined in NI 43-10, keeping estimation parameters from the previous technical report (SRK 2020), and using updated drilling data bases and constraining pit shells.

The following table shows our estimates of Mineral Resources prepared with an effective date of April 01, 2024 (except as indicated below).

Mine	Classification	Tonnage	*Grade Values* Au	Ag	*Metal Content* Au	Ag
		kt	g/t	g/t	k oz	k oz
Calandrias Sur [1] (Open pit)	Measured	5,192.24	0.91	17.07	151.32	2,849.04
	Indicated	7,642.16	1.02	14.16	249.40	3,479.94
	M+I	**12,834.40**	**0.97**	**15.34**	**400.72**	**6,328.98**
	Inferred	2,261.42	0.62	3.32	44.99	241.64
Calandrias Norte [1] (Open Pit)	Measured	8.12	18.66	25.98	4.87	6.78
	Indicated	70.67	14.52	22.79	32.98	51.79
	M+I	**78.79**	**14.94**	**23.12**	**37.85**	**58.57**
	Inferred	10.58	10.69	12.17	3.64	4.14
Zorro [1] (Open pit)	Measured	69.09	2.15	8.74	4.78	19.42
	Indicated	136.50	1.32	7.38	5.80	32.39

(Expressed in US dollars)

	M+I	**205.59**	**1.60**	**7.84**	**10.58**	**51.81**
	Inferred	120.88	0.81	6.38	3.16	24.79
Depleted Satellites [2] [3] (Open Pit)	Measured	29.91	2.04	0.00	1.96	0.00
	Indicated	14.99	1.80	0.00	0.87	0.00
	M+I	**44.90**	**1.96**	**0.00**	**2.83**	**0.00**
	Inferred	1,117.03	1.62	1.72	58.14	61.62
Paloma Trend [1] (Underground)	Measured	128.86	4.73	18.98	19.58	78.62
	Indicated	145.96	4.00	15.97	18.78	74.94
	M+I	**274.82**	**4.34**	**17.38**	**38.36**	**153.56**
	Inferred	88.91	3.93	13.15	11.22	37.58
Total	**Measured**	**5,428.22**	**1.05**	**16.93**	**182.52**	**2,953.87**
	Indicated	**8,010.27**	**1.20**	**14.13**	**307.82**	**3,639.05**
	M+I	**13,438.50**	**1.13**	**15.26**	**490.34**	**6,592.92**
	Inferred	**3,598.83**	**1.05**	**3.20**	**121.15**	**369.77**

Stockpiles [4]	Measured	0.00	0.00	0.00	0.00	0.00
	Indicated	0.00	0.00	0.00	0.00	0.00
	M+I	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Inferred	951.74	0.54	2.05	16.57	62.58

Notes:
[1] Included in economic evaluation
[2] Not included in economic evaluation
[3] Satellites include Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, Mara, and Trofeu
[4] Include the stocks from: Armadillo, Cerro Oro, Coyote, Choique, and Mara.

Notes to Mineral Resources Table

Mineral Resource estimates were prepared by the May 10, 2014 edition of the Canadian Institute of Mining, Metallurgy and Petroleum (or CIM) Definition Standards for Mineral Resources and Mineral Reserves ("2014 CIM Definition Standards") and disclosed in accordance with National Instrument 43-101 – Standards of Disclosure for Minerals Project ("NI 43-101").
The Qualified Persons for the estimation of Mineral Resources are Calandrias Sur, Calandrias Norte, Zorro, Paloma Trend and Stockpiles – Orlando Rojas, P.Geo, Member AIG, a GeoEstima SpA employee and Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, Mara and Trofeu – Sergio Gelcich, P.Geo, MAusIMM (CP) Geo, Vice President, Exploration, a Cerrado Gold employee.
Mineral Resources have an effective date as of: (a) April 1st, 2024, for Calandrias Sur, Calandrias Norte, Zorro, Paloma Trend, Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, and Trofeu; (b) August 31st, 2020, for Mara satellite.
Mineral Resources estimated using an average long-term metal price of $2,100.0/oz of Au and $25.0/oz of Ag. For Mara satellite, an average long-term metal price of $1,550.0/oz of Au is considered, assuming a mining cost of $2.65/t, plant cost of $32.0/t, and selling costs of $127.0/t.
Recoveries depend on the type of host mineralization and the extraction method being utilized for the minerals. For the carbon-in-leach (CIL) process, Au recovery is based on historical metallurgical recovery, which is 90% for Au and 61% for silver. For the Heap Leach process (HL), Au recovery is based on metallurgical test works and depends on the zone. Au recovery is 70% in the Oxide zone, 60% in the Transitional zone, and 40% in the Primary zone. The silver recovery is 30% in all zones.
Mineral Resources in open pit are reported within pit shell constrain and above a cut-off grade: Calandrias Sur has a variable cut-off – 0.27 g/t Au for the Oxided zone, 0.31 g/t Au for the Transition zone and 0.46 g/t Au for Primary zone; Calandrias Norte – 1.46 g/t Au; Zorro, Armadillo, Baritina, Baritina NE, Cerro Oro, Coyote, Choique, Mara and Trofeu – 0.3 g/t Au. In Paloma Trend, Mineral Resources are reported within a cut-off grade of 1.95 g/t for underground mining shapes. A minimum mining width of 1.5m was used for resource shapes.
The estimated costs are: Calandrias Sur – plant cost of $11.08/t; Calandrias Norte – plant cost of $78.33/t; Zorro – plant cost varying from $13.35 for HL process and $ 68.20 for CIL process; Depleted Satellite – plant cost of $40.0/t. The selling costs of $242.90/t and mining costs of $3.50/t was assumed for all open pit costs of $3.50/t was assumed for all open pit were assumed for all open-pit mining. For underground shapes, the mining costs are $40.0/t, plant costs are $65.0/t and selling costs are $242.9/t. The exchange rate considered is ARG 917.25 / 1 USD.
Density was assigned and interpolated based on specific gravity values by domain.
Numbers may not be added due to rounding.

OUTLOOK

Cerrado has made significant improvements to its working capital position and balance sheet over the last quarter. The Company is now well positioned to continue to improve its balance sheet going forward, with strong gold prices, production at the Las Calandrias Heap Leach nearing nameplate capacity and initial underground mining expected to commence in the second half of the year, we expect to generate significant cashflow in the coming year to support the various growth projects currently underway. The cash on the balance sheet and expected cashflow generation from Argentina are expected to enable the Company to maintain its capital growth programs as we now look towards developing the underground at MDN, ramping up exploration activities and progressing the development of our Mont Sorcier high purity iron project to feasibility and, subject to required approvals, the Lagoa Salgada project in Portugal.

In the near term the focus at MDN will be on increasing production rates at its heap leach operation to around 4,000-4,500 GEO per month for the next 4-5 years as outlined in the recent PEA. Exploration programs continue to aim at growing both high and lower-grade ore resources and more fully develop the underground potential that is already known at MDN. The initial underground development at Paloma is planned to be initiated in 2Q of 2025, with an aim to reach production by 3Q/25. As a result, the Company recently increased its annual production guidance to 55,000 to 60,000 GEO to include the initial contribution from underground mining.

Further, recent changes in the Argentina's fiscal policies announced in April 2025 outlining the removal of Capital Control of funds and a free-floating exchange rate should significantly simplify overall operating arrangements in Argentina and is expected to eventually allow for the reparation of profits outside of the country. Please refer to the Company's press released dated April 14, 2025 for additional information.

The Company produced 10,431 GEO and sold 10,108 GEO during Q4 2024. Production levels decreased from Q3 2024 as high grade feed was depleted and additional throughput from CIL circuit was sourced from lower grade stockpiles. Production from Calandrias Sur continued to ramp up towards full production during the quarter and achieved 5,956 GEO during Q4 2024. The crushing plant is now operating as expected, and additional capacity has been succesfuly installed during the 1st quarter of 2025. Upon commissioning the secondary crushing circuit is expected to provide much more stability over production rates and more consistent feed to the heap leach pad improving overall performance. Production is currently running at +3,500 GEO per month.

As noted the Company completed an 43-101 Mineral Resource Update and a Preliminary Economic Assessment of the near-term heap leach operations at Calandrias Sur, Calandrias Norte and the development proposals for defined ore in the Martinetas area. MDN is expected to generally follow the development and production profile outlined in the PEA, subject to defining new high-grade resources.

Going forward into the first quarter of 2025 and beyond Cerrado's MDN operations are now enjoying the benefitting from the completion of its recent expansionary capital expenditure program to grow production with its new heap leach operations, while sustaining high-grade CIL production via the processing of low grade stockpiles until new sources of high grade ore are available from underground operations in H2/25. While the near-term cash generating profile continues to improve, the Company is actively working to term out the maturity of its current short term debt profile and continue with the successfully debt reduction program it has initiated during the year.

Exploration work remains ongoing to focus on growing the known resources at MDN beyond those outlined in the recent Mineral Resource Estimate ("MRE"). The focus remains on drilling high grade near surface targets that can readily be brought into the mine plan as well as the continued regional program to better understand the potential of the significant land package at MDN. Additionally, planning for deeper drilling with the potential of extending the high-grade underground resource at MDN has identified the opportunity to develop Paloma as an underground mine.

At the Mont Sorcier high grade iron project operated by Cerrado's wholly owned subsidiary Voyager Metals Inc., work continued to advance the project with several workstreams related to permitting, social license and the initiation of the Feasibility Study which is targeted to be completed during Q1 2026.

The anticipated high quality of the concentrate is expected to position the Mont Sorcier project as well positioned to support the global Green Steel transition due to the reduced emissions generated by steel producers using high grade concentrates.

Assuming the Company is successful in acquiring Ascendant, management believes that the Company is well positioned to advance Ascendant's Lagoa Salgada project through several key workstreams to reach a construction decision by 1Q 2025. The Optimized Feasibility Study is well advanced, with ongoing metallurgical testing expected to be completed by the end of 2Q 2025 and the complete optimization of targeted by early Q3 2025. The permitting of the project is also well advanced and the EIA is currently expected to be approved by Q2 2025.

2024 HIGHLIGHTS

Operational Performance
Minera Don Nicolas

MDN is a remote mining operation with a self-sustaining camp facility. The MDN operation is running steadily, and lessons learned in ore control and short term mine planning continue to deliver the required gold grades. At the new Calandrias heap leach project mining and ore placement on the heap leach pad continued to improve. Upgrades to the crushing facilities will support the increase throughput rates into the second quarter of 2025. Once commissioned, this additional crushing capacity is expected to support production of 4,000-4,500 GEO per month from heap leach operations alone. This is expected to be achieved in Q2 2025.

Operational results for Q4 2024 demonstrated a decrease in production over the previous quarter, as the operations continued its transition to sole heap leach operations. Ore from the Calandrias Norte high-grade open pit was exhausted but replaced by continued processing of lower grade stockpiles though the CIL plant as the heap leach ramps up to full capacity. We now expect to maintain operating the CIL plant processing low grade material into the second quarter of 2025 and add higher grade underground material in H2 2025.

The performance of the heap leach continues to depend on the crushing circuit. To maintain production rates until an additional crushing circuit is installed, two mobile crushers were added, resulting in a total installed crushing capacity of 300,000 tons per month. The installation of the secondary crusher has been installed, doubling the capacity with a single crushing circuit supporting the ramp up in production from the heap leach operations and improving operational stability and maintenance. Recovery rates are in line with expectations given ore on the pad to date suggesting production is a function of sufficient ore to the pad on a sustained rate is needed to deliver planned production rates. As such as more ore is consistently placed on the pad, production is expected to grow accordingly.

As previously announced the company has increased its guidance for the inclusion of underground production and is on track to deliver production in the range of 50,000 - 60,000 GEO for 2025.

(Expressed in US dollars)

Financial Performance
Minera Don Nicolas

Key Operating Information Operating Data		Unit	Q4 Dec. 31, 2024	Q3 Sep. 30, 2024	Q2 June 30, 2024	Q1 Mar. 31, 2024	Q4 Dec. 31, 2023	Q3 Sep. 30, 2023	Q2 June 30, 2023	Q1 Mar. 31, 2023
High Grade CIL Operations										
Ore Mined		ktonnes	30.71	43.43	58.36	85.27	83.04	55.9	75.09	73.06
Waste Mined		ktonnes	610.21	1,234.99	1,083.34	2,098.50	939.18	880.61	831.67	1,391.36
Total Mined		ktonnes	640.92	1,278.42	1,141.70	2,183.77	1,022.22	936.51	906.76	1,464.42
Strip Ratio		waste/ore	19.87	28.44	18.56	24.61	11.31	15.75	11.08	19.04
Mining rate		ktpd	6.97	13.90	12.41	23.74	11.11	10.18	9.96	16.27
Ore Milled		ktonnes	92.93	98.65	65.96	90.07	93.23	83.37	92.91	97.65
Head Grade Au		g/t	1.48	4.58	7.08	3.65	5.57	3.19	4.84	4.59
Head Grade Ag		g/t	8.13	7.86	12.86	10.21	6.48	5.16	4.95	5.71
Recovery Au		%	90%	92%	91%	88%	93%	93%	83%	92%
Recovery Ag		%	64%	64%	54%	56%	62%	65%	56%	67%
Mill Throughput		tpd	1,010	1,072	725	1,001	1,013	906	1,021	1,085
Gold Ounces Produced		oz	4,312	13,022	13,648	9,879	15,083	9,446	12,336	13,794
Silver Ounces Produced		oz	13,840	15,047	25,632	19,687	10,253	7,858	9,556	13,301
Heap Leach Operations										
Ore Mined		ktonnes	563.47	364.84	207.17	144.23	181.70	236.61	141.76	-
Waste Mined		ktonnes	1,102.80	884.78	708.11	519.02	334.84	468.66	311.89	-
Total Mined		ktonnes	1,666.27	1,249.62	915.28	663.25	516.54	705.27	453.65	-
Strip Ratio		waste/ore	1.96	2.43	3.42	3.60	1.84	1.98	2.20	-
Mining rate		ktpd	18.11	13.58	9.95	7.21	5.61	7.67	4.99	-
Head Grade Au		g/t	0.73	0.75	0.85	0.59	0.53	0.52	0.51	-
Head Grade Ag		g/t	9.96	10.04	12.39	9.82	4.91	4.22	4.91	-
Recovery Au		%	41%	31%	29%	25%	13%	13%	13%	-
Recovery Ag		%	15%	9%	9%	3%	3%	3%	3%	-
Gold Ounces Produced		oz	5,631	3,253	2,290	1,103	531	526	-	-
Silver Ounces Produced		oz	27,592	12,713	10,383	2,543	829	951	-	-
Consolidated Gold Production										
Gold Ounces Produced		oz	9,943	16,275	15,938	10,982	15,614	9,972	12,336	13,794
Silver Ounces Produced		oz	41,432	27,760	25,632	19,687	11,082	8,809	9,556	13,301
Gold Ounces Sold		oz	9,668	15,505	15,484	10,120	15,386	11,263	10,907	16,005
Silver Ounces Sold		oz	37,431	28,505	23,509	18,749	11,120	9,071	9,242	15,349
AISC - Minera Don Nicolas	(1)	$/oz	$1,953	$1,678	$1,233	$2,045	$1,594	$1,703	$1,318	$1,145

(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures

Year ended December 31, 2024

The Company produced 54,494 gold equivalent ounces ("GEO") during the year ended December 31, 2024, as compared to 52,230 GEO for the year ended December 31, 2023. Production is higher in the year ended December 31, 2024, due to 41% higher gold head grade and 152% higher recovery in the heap leach operations.

The Company generated revenue of $116.2 million for the year ended December 31, 2024, from the sale of 50,777 ounces of gold and 108,195 ounces of silver at an average realized price per gold ounce sold of $2,226. For the year ended December 31, 2023, the Company generated revenue of $100.1 million from the sale of 53,561 ounces of gold 44,781 ounces of silver. Revenue is higher for the year ended December 31, 2024 than the year ended December 31, 2023, due to higher average realized gold price.

Cost of sales for the year ended December 31, 2024, were $106.2 million as compared to $86.3 million for the year ended December 31, 2023. The Company incurred $15.3 million higher production costs for the year ended December 31, 2024 due to higher costs of operational contractors and materials, and higher labour costs in 2024 as compared to 2023.

Total cash costs (including royalties) per ounce sold was $1,629 per ounce in the year ended December 31, 2024, as compared to $1,418 per ounce for the year ended December 31, 2023 at $212 per ounce or 15% increase (refer to reconciliation of Non-IFRS performance metrics). The increase is a result of higher production costs incurred and lower ounces sold in 2024 as compared to 2023.

Net income from continued and discontinued operations for the year ended December 31, 2024, was $25.4 million as compared to a net loss of $6.8 million for the year ended December 31, 2023. The decrease in net loss is primarily a result of the sale of the MDC project, $16.1 million increase in metal sales, $2.1 million decrease in general and administrative expenses, $1.1 million decrease in share based payments expense and $0.6 million decrease in transaction costs, offset by higher production costs and remeasurement of MDN stream obligation of $6.2 million.

The Company incurred general and administrative expenses of $10.8 million for the year ended December 31, 2024, as compared to $13.0 million of general and administrative expenses incurred during the year ended December 31, 2023. The decrease was primarily as result of a decrease in stock based compensation of $1.1 million, salaries and wages of $0.4 million and marketing and promotion of $0.5 million for the year ended December 31, 2024.

Other income of $4.0 million during the year ended December 31, 2024, includes finance expense of $7.9 million, loss on fair value remeasurement of MDN stream obligation of $1.7 million and foreign exchange gain of $10.2 million.

Fourth quarter ended December 31, 2024

The Company produced 10,431 GEO during the fourth quarter ended December 31, 2024, as compared to 15,744 GEO for the fourth quarter ended December 31, 2023. Production is lower in the three months ended December 31, 2024, due to lower production from the CIL operation, offset by an increase of 5,415 GEO in the heap leach operation.

The Company generated revenue of $24.4 million for the fourth quarter ended December 31, 2024, from the sale of 9,668 ounces of gold and 37,431 ounces of silver at an average realized price per gold ounce sold of $2,371. For the fourth quarter ended December 31, 2023, the Company generated revenue of $30.0 million from the sale of 15,386 ounces of gold and 11,120 ounces of silver at an average realized price per gold ounce sold of $1,925. Revenue and sales of gold for the prior period are higher than the quarter ended December 31, 2024, due to higher ounces sold, offset by a lower realized price.

Cost of sales for the fourth quarter ended December 31, 2024, were $30.2 million as compared to $28.6 million for the quarter ended December 31, 2023. The Company incurred $1.6 million higher cost of sales for the fourth quarter ended December 31, 2024 due primarily to a significant increase in depreciation expense, offset by lower production costs and lower sales expenses.

Total cash costs (including royalties) per ounce sold were $1,941 per ounce in the fourth quarter ended December 31, 2024, as compared to $1,590 per ounce for the fourth quarter ended December 31, 2023 a $351 per ounce increase (refer to reconciliation of Non-IFRS performance metrics). The increase is a result of lower ounces sold in 2024 as compared to 2023 as well as inflationary pressures in unit labour costs.

Net income from continued and discontinued operations for the fourth quarter ended December 31, 2024, was $30.1 million as compared to a $1.5 million net income for the fourth quarter ended December 31, 2023. The increase in net income is primarily a result of the MDC sale offset by a decrease in revenue.

The Company incurred general and administrative expenses of $3.0 million for the fourth quarter ended December 31, 2024, as compared to $4.0 million of general and administrative expenses incurred during the fourth quarter ended December 31, 2023. The decrease for the three months ended December 31, 2024 was primarily due to a decrease in share based payments expense of $1.0 million and marketing and promotion expense of $0.3 million.

Other income of $9.2 million during the fourth quarter ended December 31, 2024, includes foreign exchange gain of $5.1 million and gain on fair value remeasurement of MDN stream obligation of $2.7 million, offset by finance expense of $2.4 million,

CORPORATE DEVELOPMENTS

Acquisition of Ascendant Resources

On February 3, 2025, the Company announced it has entered into an agreement to acquire all shares of Ascendant Resources Inc. (TSX: ASND) ("Ascendant") not already owned by Cerrado, through a plan of arrangement under the *Business Corporations Act* (Ontario). Assuming closing of the transaction with Ascendant, Cerrado would hold an 80% interest in the Lagoa Salgada Project in Portugal. Ascendant shareholders would receive one Cerrado share for every 7.8 Ascendant shares, with the transaction resulting in Ascendant shareholders other than Cerrado owning approximately 21% of the issued and outstanding common shares of Cerrado. Assuming conditions to closing the Ascendant transaction are satisfied, Cerrado will issue approximately 27.7 million common shares, bringing its total issued and outstanding common shares to approximately 131.4 million (see note 33). Closing of the transaction is subject to the satisfaction of certain closing conditions and there is no assurance that it will close.

Ascendant's Lagoa Salgada project is a well advanced, long-life, low-cost polymetallic VMS Project, with gold and silver accounting for approximately 34% of NSR, located in the prolific Iberian Pyrite Belt. In 2023, Ascendant completed a Feasibility Study (the "FS") in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, on Lagoa Salgada, which outlined a project with an after-tax NPV of $147 million and IRR of 39% generating approximately $75MM per annum in free cash flow over the first 5 years of operations. A new optimized feasibility study is anticipated to be completed by late summer.

Lagoa Salgada has been awarded "Project of National Interest" status from the Government of Portugal and approval of the recently submitted Environmental Impact Assessment ("EIA") is expected in the coming months. Ascendant is currently advancing an optimized feasibility study expected to further improve the project economics and be in a position to undertake a construction decision by year end. The optimization study has focused on improved metallurgical results and reducing up front capital requirements to support an inversion in the NPV to CAPEX ratio (See the press release of Ascendant dated December 11, 2024). Ascendant also continues to make significant progress with construction financing with access to low-cost Export Credit Agency project financing supported by UK Export Credit Agency and Banco Santander for up to 70% of capital expenditures.

Michelle Option Agreement

On December 23rd, 2024, Cerrado announced that MDN granted to Cerro Vanguardia S.A. ("CVSA") a wholly-owned subsidiary of AngloGold Ashanti Holdings Plc, the option ("Option") to purchase a 100% interest in certain properties (the "Michelle Properties") located in the south west region of MDN's Minera Don Nicolas Project in Santa Cruz, Argentina, for total consideration of the Argentina peso equivalent of $14 million (the "Option Price"), subject to the fulfilment of certain conditions. The Option Agreement was ratified December 23, 2024, with effect December 18, 2024. The Option Price is payable in the following stages:

- $4 million equivalent in Argentina pesos at the Carnival Corporation (CCL) Buyers rate upon grant of the Option), which was received on December 30th, 2024; and

- $10 million equivalent in Argentina pesos at the CCL Buyers rate if CVSA exercises of the Option within 3 years.

CVSA may exercise the Option at its sole discretion at any time within three (3) years unless earlier terminated (the "**Option Period**") by providing an exercise notice to MDN and paying the exercise price of the Argentina pesos equivalent of $10 million. During the Option Period CVSA will take operational control of the Michelle Properties.

MDC Option Agreement

In March 2024, the Company announced that it had entered into an option agreement with Amarillo a wholly-owned subsidiary of Hochschild, whereby the Company has granted to Amarillo the option to purchase a 100% interest in the MDC Project for total consideration of $60 million subject to the fulfilment of certain conditions.

In June 2024 the Company's shareholders approved the proposed arm's length sale by the Company to Amarillo of all the issued and outstanding shares of Serra Alta.

As of November 6, 2024 the Company completed the sale of its 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil to Amarillo Mineração do Brasil Ltda. ("Amarillo"), a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild"), in connection with the exercise of its option (the "Option") pursuant to an option agreement entered into on March 5, 2024 (the "Option Agreement")(the "Transaction"). In connection with the closing of the Transaction, Cerrado received closing cash payments totaling $30 million from Amarillo, in addition to the $15 million that was previously received in connection with granting the Option, for total consideration of $60 million (approximately C$83 million). Pursuant to the terms of the Option Agreement, Amarillo shall make two further payments to Cerrado, totaling $15 million in aggregate, as follows:

- $10 million payable within 14 days of the second anniversary of the date of the Cerrado shareholder approval (being July 11, 2026); and
- $5 million within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) March 31, 2027.

The two further payments due from Amarillo are guaranteed by Hochschild pursuant to the Option Agreement.

Sprott Financing

On March 2, 2023 the Company entered into an amended and restated metals purchase and sale agreement with Sprott to include the concessions acquired by the Company in its acquisition of Minera Mariana Argentina SA in 2020, broadening the stream area including, most notably, production from the Las Calandrias heap leach project. The agreement provided Cerrado with an additional $10.0 million in funding in the form of an additional deposit against future production. In this amended and restated streaming agreement with Sprott the step-down trigger has also been increased from 21,250 gold equivalent ounces to 29,500 gold equivalent ounces, all other material terms remain the same as the original agreement.

Acquisition of Voyager Metals

In March 2023 Cerrado announced the acquisition of Voyager Metals and its principal asset the Mont Sorcier magnetite iron project. Mont Sorcier is a well advanced, large, long-life and economically robust Project in a tier one mining jurisdiction. In September 2022, Voyager completed a Preliminary Economic Assessment (the "PEA") on Mont Sorcier, which outlined a project with an after-tax NPV of $1.6 billion and IRR of 43% producing 5 million tonnes per annum of iron concentrates grading 65% iron over a mine life of 21 years with annual free cash flow of $235 million. The project is currently advancing towards completion of a bankable Feasibility Study expected by the end of 2023. Recent metallurgical test results have demonstrated the ability to produce high purity 67% iron concentrates.
Under the terms of the Arrangement, Voyager shareholders received one common share of Cerrado for every six common shares of Voyager (the "Exchange Ratio"). The Exchange Ratio implied a consideration of CDN $0.1523 per Voyager Share based on the 20 day volume weighted average price ("VWAP") of the closing price of Cerrado common shares on the TSX Venture Exchange ("TSXV") on March 3, 2023, representing a 16.8% premium to 20-day VWAP of Voyager on the TSXV on March 3, 2023.

On May 25, 2023 the shareholders and option holders of Voyager approved the completion of the Arrangement. The Arrangement became effective on May 31, 2023 after receiving all approvals necessary and the Company acquired all of the issued and outstanding shares of Voyager that it did not already own.

ARGENTINA OPERATIONS

EXPLORATION

During 2024, MDN drilled four targets in Q3: Goleta (5 Diamond drill holes, totaling 1,634m); Calandrias North down plunge extension (3 Diamond drill holes, totaling 380m); Chulengo (2) Diamond drill holes, totaling 380 m Verde Vein (1 Diamond drill hole, totaling 200m).

Brownfield exploration efforts in this quarter focused on the Martinetas, Paloma Block and Goleta areas.

The Goleta, target is located approximately 7 kilometers from the plant. In 2023, a small pit was mined, and mineralization was found to be related to mineralized fragments contained in a phreatic breccia. Cerrado believes that these fragments come from a buried high grade Au banded vein. This geological setting is believed to be similar to the Mariana-San Marcos Deposit in Cerro Negro (Newmont), where a primary quartz vein containing around 500koz is buried under a breccia that includes a few fragments of the veins as clasts.

A 5 line (8,150m) Pole-Dipole IP/Res survey over the Goleta target was also performed during the quarter. The aim of the survey was to detect minor resistivity contrast that can reflect the location of the primary vein below the outcropping breccias. A number of resistivity features were integrated into the geological conceptual models to refine the drill targeting.

The Drilling program in Goleta was completed in September and included 5 holes encompassing approximately 650m of strike length along the projected first order control tend of the mineralization. All the holes intercepted the phreatic breccia, with occasional occurrence of mineralized vein fragments. Intervals of the ignimbrtitic rock believed to host the primary veins did not return relevant mineralization. Data (assays, geology and geophysics) will be fully integrated to test if any vector towards primary mineralization remain open. Brecciated fragments of veins within the phreatic breccia generate erratic grade distribution with minimum continuity.

The drilling program in Calandria North consisted of three holes totalling 380m. Drilling targeted the extension to the southwest of the main controlling plunge of the mineralization to refine the potential UG resource beyond the extent of the current operational final pit. The three holes intercepted the main controlling Southwest structure with erratic grade distributions. Results will be integrated into an updated geological/resource model and serve as base for any UG conceptual internal evaluation.

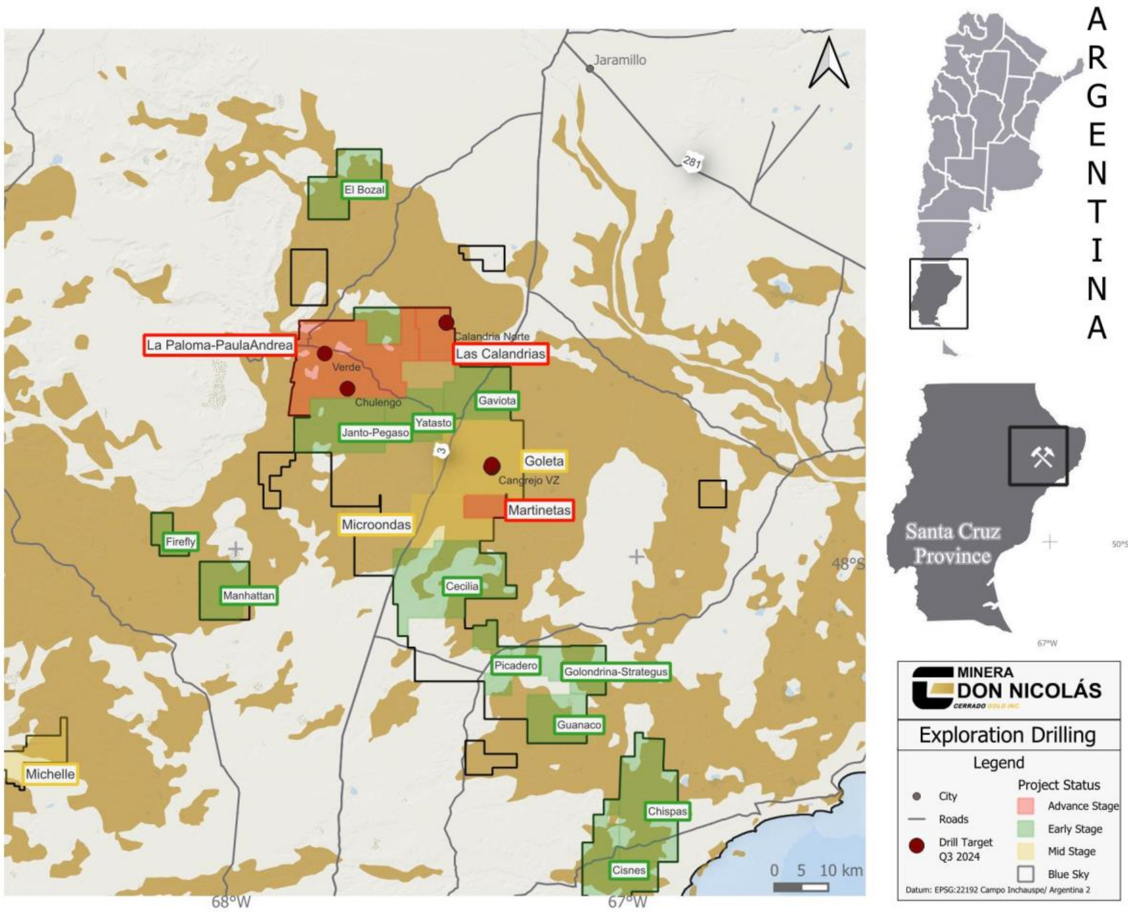
Two holes were drilled in Chulengo, testing down dip continuity of the main known shoot, shallowly mined in 2023. One of the holes extended the known mineralization approximately 30 m below the pit bottom. Follow up drilling is being planned jointly with economic evaluation of the accessibility of deeper levels.

Verde is major vein located only 2 km to the Northwest of Paloma. The vein is the longest continuous structure in the district after the Sulfuro vein. In 2023 MDN conducted a systematic mapping and sampling of the outcropping vein. Historical drilling has shown anomalous gold in multiphase filling. MDN drilled a single hole in September targeting the segment of the vein that showed the best thickness. The hole intercepted the main structure below 100m of true depth. The structure at this depth pinches failing to generate relevant mineralization. A second phase of Pole-Dipole IP/Res commenced in October over two target areas (Verde and Torre-Microndas), results are being processed and will be discussed in the next corporate update.

The new resource update of the Paloma area was (see below) completed as part of the PEA jointly with a conceptual study of stope optimization and economic trade for future underground mining. Preliminary studies show that the best potential lies in the South Sulfuro subvertical shoot and in a gentle plunging trend that goes through the pit bottom.

Additionally, the preliminary results in the new target named Sulfuro East has the potential of contributing additional underground mineable materials. Planning of further drilling in Sulfuro East and in step out targets to the south of Sulfuro have been outlined and will be executed once drilling resumes in 2025. These two target zones (East and South) are mainly driven by geophysical similarities to Sufuro (Magnetic, Chargeability and Resistivity).

The move towards underground mining is in keeping with the transitions undertaken at both MDN's neighbouring mines including, Pan American Silver's Cerro Morro operation and Anglo American's Cerro Vanguardia mine. Based upon current resources in place, Cerrado's exploration team believes it can readily outline potential resources in excess of 100,000 ounces of gold in underground mineralized material to act as an additional source of feed to the mill. More definitive timelines for underground operations is subject to defining sufficient resources in upcoming exploration programs.



DISCUSSION OF OPERATIONS

The following table provides a summary of the Company's key operating information and statistics for the three months and year ended December 31, 2024 and 2023.

Selected Operating and Financial Information

Key Operating Information		Unit	Three Months Ended December 31		Year ended December	
Operating Data			2024	2023	2024	2023
High Grade CIL Operations						
Ore Mined		ktonnes	30.71	97.57	217.76	303.22
Waste Mined		ktonnes	610.21	939.18	5,027.04	4,042.83
Total Mined		ktonnes	640.92	1,036.75	5,244.80	4,346.05
Strip Ratio		waste/ore	19.87	9.63	23.08	13.33
Mining rate		ktpd	6.97	11.27	14.37	11.91
Ore Milled		ktonnes	92.93	93.23	347.62	367.16
Head Grade Au		g/t	1.48	5.57	3.99	4.59
Head Grade Ag		g/t	8.13	6.48	9.49	5.59
Recovery Au		%	90%	94%	90%	90%
Recovery Ag		%	64%	62%	59%	62%
Mill Throughput		tpd	1,010	1,013	952	1,006
Gold Ounces Produced		oz	4,312	15,083	40,861	50,658
Silver Ounces Produced		oz	13,840	10,253	61,280	40,968
Gold Equivalent Ounces Produced		oz	4,475	15,202	41,583	51,150
Heap Leach Operations						
Ore Mined		ktonnes	563.47	181.70	1,279.71	560.00
Waste Mined		ktonnes	1,102.80	334.84	3,214.70	1,115.00
Total Mined		ktonnes	1,666.27	516.54	4,494.41	1,675.00
Strip Ratio		waste/ore	1.96	1.84	2.51	1.99
Mining rate		ktpd	18.11	5.61	12.31	4.59
Ore placed on pad		ktonnes	588.22	67.80	1,538.10	446.00
Head Grade Au		g/t	0.73	0.53	0.73	0.52
Head Grade Ag		g/t	9.96	4.91	10.41	4.54
Recovery Au		%	41%	13%	34%	13%
Recovery Ag		%	15%	3%	10%	3%
Gold Ounces Produced		oz	5,631	531	12,277	1,057
Silver Ounces Produced		oz	27,592	829	53,231	1,780
Gold Equivalent Ounces Produced		oz	5,956	541	12,911	1,080
Consolidated Gold Production						
Gold Ounces Produced		oz	9,943	15,614	53,138	51,715
Silver Ounces Produced		oz	41,432	11,082	114,511	42,748
Gold Equivalent Ounces Produced		oz	10,431	15,744	54,494	52,230
Gold Ounces Sold		oz	9,668	15,386	50,777	53,561
Silver Ounces Sold		oz	37,431	11,120	108,195	44,781
Gold Equivalent Ounces Sold		oz	10,108	15,518	52,058	54,100
Average realized price and Average realized margin						
Metal Sales		$ 000's	24,383	29,876	116,169	100,101
Cost of Sales		$ 000's	30,198	28,570	106,170	86,282
Gross Margin from Mining Operations		$ 000's	(5,815)	1,306	9,999	13,819
Average realized price per gold ounce sold	(1)	$/oz	2,371	1,925	2,226	1,849
Total cash costs per gold ounce sold	(1)	$/oz	1,941	1,590	1,629	1,418
Average realized margin per gold ounce sold	(1)	$/oz	430	334	597	431
Total Direct Operating Costs	(1)	$ 000's	18,218	21,275	78,926	65,733
Royalties and production taxes	(1)	$ 000's	552	3,194	3,828	10,231
Total Cash Costs	(1)	$ 000's	$18,770	$24,469	$82,754	$75,964
Total direct operating costs per gold ounce sold	(1)	$/oz	1,884	1,383	1,554	1,227
Royalties and production taxes per gold ounce sold	(1)	$/oz	57	208	75	191
Total cash costs per gold ounce sold	(1)	$/oz	$1,941	$1,590	$1,629	$1,418
AISC - Minera Don Nicolas	(1)	$/oz	$1,953	$1,594	$1,651	$1,427

(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures

Corporate Financial Highlights		Unit	Three Months Ended December 31 2024	Three Months Ended December 31 2023	Year ended December 2024	Year ended December 2023
Financial Data						
Total revenue		$ 000's	24,383	29,876	116,169	100,101
Mine operating expenses		$ 000's	30,198	28,570	106,170	86,282
Income (loss) from mining operations		$ 000's	(5,815)	1,306	9,999	13,819
Net income (loss) from continuing operations		$ 000's	(147)	3,116	534	(2,864)
Net income (loss) from discontinued operations		$ 000's	30,247	(1,599)	24,865	(3,889)
Adjusted EBITDA	(1)	$ 000's	4,521	2,381	24,377	17,735
Operating cash flow before movements in working capital	(1)	$ 000's	14,735	6,789	32,467	13,848
Operating cash flow		$ 000's	1,461	9,546	10,722	34,799
Cash and cash equivalents		$ 000's	26,032	412	26,032	412
Working capital (deficiency)		$ 000's	(12,941)	(67,394)	(12,941)	(67,394)
Capital Expenditures		$ 000's	1,336	10,167	9,532	44,989

(1) This is a non-IFRS performance measure, see non-IFRS Performance Measures

The Company recognizes revenue from provisional invoicing once all the performance obligations have been fulfilled and control is transferred to the customer. Final metal pricing occurs according to the quotational period stated in the offtake agreement and changes in metal prices during the quotational period may have a significant impact on the financial results of the Company.

LIQUIDITY & CAPITAL RESOURCES

The Company's Consolidated Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As at December 31, 2024, the Company had a working capital deficit of $12.9 million, a decrease of $54.5 million from December 31, 2023. The Company's cash and cash equivalents balance at December 31, 2024 was $26.0 million. This is an increase from cash and cash equivalents balance of $0.4 million at December 31, 2023. The key contributor to the Company's working capital deficiency position at December 31, 2024 is an increase in cash of $25.6 million, lower current debt payable of $35.0 million and lower trade and other payables of $29.2million.

Subsequent to year end, the Company has made progress in repaying outstanding royalties and as noted in a press release dated April 1, 2025 it made the final $5.0 million payment to the vendors of MDN further decreasing overall indebtedness of the company. During 2025 the company expects to further deleverage its balance sheet from operational cash flow based upon production forecasts and improved gold prices.

In March 2024, the Company announced that it had entered into an option agreement with Amarillo a wholly-owned subsidiary of Hochschild, whereby the Company had granted to Amarillo the option to purchase a 100% interest in the MDC Project for total consideration of $60 million subject to the fulfilment of certain conditions.

In June 2024 the Company's shareholders approved the proposed arm's length sale by the Company to Amarillo of all the issued and outstanding shares of Serra Alta.

As of November 6, 2024 the Company completed the sale of its 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil to Amarillo Mineração do Brasil Ltda. ("Amarillo"), a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild"), in connection with the exercise of its option (the "Option") pursuant to an option agreement entered into on March 5, 2024 (the "Option Agreement")(the "Transaction"). In connection with the closing of the Transaction, Cerrado received closing cash payments totaling $30 million from Amarillo, in addition to the $15 million that was previously received in connection with granting the Option, for total consideration of $60 million (approximately C$83 million). Pursuant to the terms of the Option Agreement, Amarillo shall make two further payments to Cerrado, totaling $15 million in aggregate, as follows:

- $10 million payable within 14 days of the second anniversary of the date of the Cerrado shareholder approval (being July 11, 2026); and
- $5 million within 14 days of the earlier of (i) the commencement of commercial production from the Project, and (ii) March 31, 2027.

The two further payments due from Amarillo are guaranteed by Hochschild pursuant to the Option Agreement.

As at December 31, 2024 the Company had a cash balance of $26.0 million and a working capital deficiency of $12.7 million. In order to continue as a going concern, the Company must generate sufficient income and cash flows to repay its obligations as they become due, finance its operations and fund its capital investments. The future of the Company is dependent on its ability to maintain profitable operations, generate sufficient funds from operations, and obtain new debt or equity financing or sale of assets. The Company's liquidity position is sensitive to a number of variables which cannot be predicted with certainty, including, but not limited to, meeting increased production targets, metal prices, foreign exchange rates, operational costs, and capital expenditures. If the Company's cash flow from operations is not sufficient to satisfy its requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Cerrado.

The consolidated financial statements do not include adjustments to the carrying values of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

Financings

In March 2024, the Company announced that it had entered into an option agreement (the "Option Agreement") with Amarillo, whereby the Company has granted to Amarillo Mineração do Brasil Ltda. ("Amarillo"), a wholly-owned subsidiary of Hochschild Mining PLC ("Hochschild")the option ("Option") to purchase a 100% interest in the Company's Monte Do Carmo project located in the State of Tocantins, Brazil (the "MDC Project") for total consideration of $60 million subject to the fulfilment of certain conditions.

On June 27, 2024 Cerrado shareholders approved the arm's length sale of the MDC Project.

As of November 6, 2024 the Company completed the sale of the MDC Project to Amarillo, following exercise of the Option. In connection with Amarillo's exercise of the Option, Cerrado received closing cash payments totaling $30 million from Amarillo, in addition to the $15 million that was previously received in connection with granting the Option. Pursuant to the terms of the Option, Amarillo shall make two further payments to Cerrado, totaling $15 million in aggregate.

Cash Flows

The Company's cash balance was $26.0 million at December 31, 2024 as compared to $0.4 million at December 31, 2023.

Operating activities

Cash provided by operating activities during the year ended December 31, 2024, was $10.7 million compared to cash provided by operating activities of $34.8 million for the year ended December 31, 2023. Cash provided by operating activities before working capital reflects the higher head grades achieved by the Company in 2024 and consisted of $32.5 million as compared to $13.8 million of cash provided by operating activities before working capital changes in 2023.

Cash used in operating activities during the quarter ended December 31, 2024, was $1.5 million compared to cash provided by operating activities of $9.5 million for the quarter ended December 31, 2024. Cash provided by operating activities before working capital reflects the higher gold realized price achieved by the Company in 2024 and consisted of $14.7 million as compared to $6.8 million of cash provided by operating activities before working capital changes in 2023.

Investing activities

Cash provided by investing activities during the year ended December 31, 2024, was $22.6 million and consisted primarily of proceeds received from discontinued operations of $45.0 million offset by additions to plant and equipment of $6.6 million and future consideration payments of $13.8 compared to $59.4 million of cash used in investing activities for the prior year period which consisted primarily of additions to exploration and evaluation assets of $15.6 million, additions to plant and equipment of $39.5 million and future consideration payments of $2.0 million.

Cash provided by investing activities from continuing operations during the quarter ended December 2024, was $19.2 million and consisted primarily of proceeds received from discontinued operations of $30.0 million offset by additions to property and plant and equipment of $1.0 million and future consideration payments of $1.3 million, compared to

$13.1 million of cash used in investing activities ions for the prior year period which consisted primarily of additions to exploration and evaluation assets of $2.2 million and additions to plant and equipment of $9.7 million.

Financing activities

Cash used in financing activities during the year ended December 31, 2024, was $7.7 million which consisted primarily of promissory note repayments of $26.0 million, offset by proceeds from additional promissory notes of $14.6 million and loan payable of $2.4 million, compared to cash provided by financing activities of $19.4 million in the prior year period which consisted primarily of $10.0 million gold stream advance payment and proceeds from promissory notes payable of $16.9 million.

Cash used in financing activities during the quarter ended December 31, 2024, was $2.7 million which consisted primarily of revolving facility outflows or $3.3 million, promissory note repayments of $9.8 million offset by proceeds from additional promissory notes of $6.0 million compared to cash used in financing activities of $7.6 million in the prior year period which consisted primarily of revolving facility borrowings of $5.2 million and promissory notes issuance of $1.5 million.

Commitments

The Company has the following commitments as at December 31, 2024: lease obligation (Note 16a of the Consolidated Financial Statements), debentures (Note 16d of the Consolidated Financial Statements) and future consideration payable (Note 8 of the Consolidated Financial Statements).

There are also four royalty agreements that apply to the Company's Don Nicolás Mine, described as follows:

(i) A royalty payable to the province of Santa Cruz in the amount up to 3% of the metal value extracted from the mine. The value of the royalty is calculated based on the market value of metals contained in the commercial production from the mine, less the direct and/or operating costs required to commercialize the metals, not including any financial costs, amortization expense or any profit distribution.

(ii) A 2% royalty on the refined product, payable to Royal Gold Inc. pursuant to on an amended and restated royalty agreement dated August 16, 2013. This royalty is only applicable to certain MDN properties, which does not include production from the Calandrias region. The obligations under this royalty agreement are backed by registered first mortgages granted to Royal Gold on a number of the Company's mineral properties owned in the province of Santa Cruz, named as follows: Syrah, La Paloma I, Micro I, Micro II, Mar III, Mar IV, Gol I, Gol II, Armadillo, Dorcón 3, Dorcón 4, Estrella I and Estrella II. The Corporation is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

iii) A royalty of $3 per gold ounce, to a maximum of $2 million payable to Sandstorm Gold Limited based on an agreement executed on February 28, 2006. This royalty is only applicable to certain MDN properties, which does not include production from the Calandrias region. The Corporation is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

(iv) A 2% royalty on the refined product, payable to Sandstorm Gold Ltd. pursuant to a net smelter returns royalty agreement dated February 19, 2018. The royalty is only applicable to certain of the properties over which MDN holds mining claims, which includes the Calandrias areas, but does not include the areas which MDN has mined historically. The Corporation is guarantor under this royalty agreement and is jointly and severally liable for the performance of all of MDN's obligations and covenants thereunder.

As of December 31, 2024, the Company had the following undiscounted contractual commitments.

(Expressed in $000's)

		Payments due by period			
		<1 years	1-5 years	>5 years	Total
Trade and other payables	$	29,221	-	-	29,221
Lease obligations (i)	$	1,086	425	-	1,511
MDN acquisition payments (i)	$	6,250	-	-	6,250
Revolving prepayment facility (i)	$	6,264	-	-	6,264
Advance payment facility (i)	$	3,057	-	-	3,057
Stream obligation (i)	$	-	-	22,244	22,244
Loan payable (i)	$	2,614	6,482	-	9,096
Promissory note payable (i)	$	14,025	-	-	14,025
Debentures payable (i)	$	2,733	-	-	2,733
Environmental rehabilitation provision (i)	$	-	-	20,140	20,140
	$	65,250	6,907	42,384	114,541

(i) Undiscounted basis

SUMMARY OF QUARTERLY RESULTS

The following table provides highlights, extracted from the Company's financial statements, of quarterly results for the past eight quarters.

		Three Months Ended			
		December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Total assets	$ 000's	241,074	249,381	237,844	261,510
Total revenue	$ 000's	24,383	36,669	34,741	20,376
Net income (loss) for the period from continuing and discontinued operations	$ 000's	30,100	1,540	1,030	(7,278)
Basic earnings (loss) per share from continuing operations	$/share	(0.00)	0.01	0.01	(0.07)
Basic earnings (loss) per share from discountinued operations	$/share	0.29	-	-	-
Diluted earnings (loss) per share	$/share	(0.00)	0.01	0.01	(0.07)

		Three Months Ended			
		December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Total assets	$ 000's	250,724	249,680	225,211	193,595
Total revenue	$ 000's	29,876	21,574	21,152	27,499
Net income (loss) for the period	$ 000's	1,517	(404)	(428)	(7,438)
Basic earnings (loss) per share	$/share	0.02	(0.00)	(0.01)	(0.09)
Diluted earnings (loss) per share	$/share	0.02	(0.00)	(0.01)	(0.09)

Metal sales are derived from the MDN mine in Argentina which have maintained consistent levels over the previous eight quarters. Total assets have increased over the prior eight quarters. The increase is mainly attributed additions to property, plant and equipment in Argentina, the acquisition of Voyager in the second quarter of 2023, offset slightly in the fourth quarter of 2024 by the sale of the MDC asset.

SELECTED ANNUAL INFORMATION

The following table sets forth selected annual information extracted from the Company's audited Consolidated Financial Statements for the years ended noted:

		Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue	$ 000's	116,169	100,101	90,360
General and admnistrative expenses	$ 000's	10,836	12,974	8,445
Other expenses (income)	$ 000's	(3,979)	(2,555)	11,832
Net income (loss) for the period from continuing and discontinued operations	$ 000's	25,399	(6,753)	(5,908)
Income (loss) per share - basic	$/share	0.25	(0.08)	(0.08)
Income (loss) per share - diluted	$/share	0.24	(0.08)	(0.08)
Total assets	$ 000's	241,073	250,724	162,646
Non-current financial liabilities	$ 000's	59,067	79,186	70,959

CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common and preferred shares, where each common share provides the holder with one vote.

As of April 30, 2024, the total number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	**Number**
Outstanding	105,031,794
Issuable upon exercise of Cerrado Warrants	78,518
Issuable upon exercise of Cerrado Options	929,163
Issuable upon redemption of Cerrado RSUs	1,561,666
Issuable upon redemption of Cerrado DSUs	1,425,000
Diluted common shares	**109,026,141**

Cerrado has not issued any preferred shares.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

RELATED PARTY TRANSACTIONS

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(a) Compensation of key management personnel

During the period ended December 31, 2024 and 2023 compensation of key management personnel is summarized as follows:

		December 31 2024		December 31 2023
Management and director compensation	**$**	**3,946**	$	4,546
Share-based payments		**1,375**		2,043
	$	**5,321**	$	6,589

(b) Due to and from related parties

In addition to the transactions detailed elsewhere in profit or loss, the Company shares administrative services and office space with Ascendant Resources Inc. ("Ascendant"), a company related by virtue of common directors and officers, and from time to time will incur third party costs on behalf of related parties. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are due on demand, unsecured and settlement occurs in cash.

In 2024, the Directors of the Company, approved bonuses to certain senior management employees in the amount of $1.0 million. These bonuses were contingent on obtaining the third advance pursuant to the transaction to sell MDC (note 12). This occurred during the year ended December 31, 2024 and thus these bonuses were recorded and paid out before December 31, 2024.

Ascendant

As at December 31, 2024, amounts owed from Ascendant in relation to shared services are $2.3 million (December 31, 2023 - $3.0 million).

The fair value of the shared services receivable at December 31, 2024 was estimated at $2.3 million using an effective rate of 35% corresponding to a rate that the Company would have obtained for a similar financing with a third party. The premium amount of $0.9 million has been recorded as shareholder contribution against other equity.

On June 24, 2020, Ascendant was granted a total of 200,000 RSUs in the capital of Cerrado in exchange for administrative services provided. The Company recognized these RSUs as fully vested in 2021, and expensed any remaining unamortized amounts related to these RSUs in 2021, recognized under share-based payment expense accordingly.

On May 1, 2023, the Company entered into a US dollar unsecured promissory grid note (the "Related Party Grid Note") agreement with Ascendant in the principal amount of up to $1.5 million. The Related Party Grid Note bears interest at a rate of 10.0% per annum, compounded monthly. The note will mature on demand on not less than 366 days' notice. As at December 31, 2024, the principal amount of the Related Party Grid note totaled $1.5 million and the interest earned during the year ended December 31, 2024 amounted to $0.1 million recognized as finance income in the consolidated statement of loss.

On December 30, 2024, the Company entered into a US dollar unsecured promissory grid note (the "Related Party Grid Note") agreement with Ascendant in the principal amount of $0.3 million. The Related Pary Grid Note bears interest at a rate of 10.0% per annum, compounded monthly. The note will mature on demand on not less than 366 days' notice. As at December 31, 2024, the principal amount of the Related Party Grid note totaled $0.3 million.

The fair value of the Related Party Grid Note at December 31, 2024 was estimated at $1.5 million using an effective rate of 35% corresponding to a rate that the Company would have obtained for a similar financing with a third party.

As at December 31, 2024 and December 31, 2023, the Company's balances related to the promissory notes are as follows:

(Expressed in US dollars)

Principal amount advanced	$	1,500
Interest accrued		101
Promissory note discounted at fair value		(477)
Amortization of promissory note discount		129
Balance - December 31, 2023	$	1,253
Promissory note repayment	$	(734)
Principal amount advanced		1,009
Interest accrued		105
Promissory note discounted at fair value		(226)
Amortization of promissory note discount		143
Balance - December 31, 2024	**$**	**1,550**

Voyager Metals Inc.

As at May 31, 2023, amounts advanced to Voyager Metals amounted to $1.6 million including accrued interest (December 31, 2022 - $1.4 million). Upon closing the acquisition transaction of Voyager, amounts advanced to Voyager were eliminated on the date of acquisition.

CRITICAL ACCOUNTING ESTIMATES

Refer to Note 5 of the Cerrado Financial Statements for the year ended December 31, 2024.

CHANGES IN ACCOUNTING POLICIES

Refer to Note 3 of the Cerrado Financial Statements for the year ended December 31, 2024.

FINANCIAL INSTRUMENTS HIERARCHY AND FAIR VALUES

Refer to Note 27 of the Cerrado Financial Statements for the year ended December 31, 2024.

NON-IFRS PERFORMANCE MEASURES

The non-IFRS performance measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers.

Non-IFRS Measures

EBITDA

EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate earnings from operations before taking into account management's financing decisions, share based compensation, and costs of consuming capital assets, and management's estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. Adjusted EBITDA has been included in this document. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments involve a significant accrual of amounts that will not be settled in cash but will settled by the issuance of shares in exchange for cash. EBITDA and Adjusted EBITDA do not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA and Adjusted EBITDA exclude the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and adjusted EBITDA differently. As such, the Company has made an entity specific adjustment to EBITDA for these expenses. The Company has also made an entity-specific adjustment to the foreign currency exchange (gain)/loss.

The following table provides a reconciliation of net loss to Adjusted EBITDA:

Adjusted EBITDA		Three Months Ended December 31		Year ended December	
	Unit	2024	2023	2024	2023
Net income (loss) from continuing operations	$ 000's	(147)	3,116	534	(2,864)
Adjusted for:					
Depreciation	$ 000's	10,028	3,883	20,465	9,413
Transaction costs	$ 000's	40	-	145	716
Finance items	$ 000's	2,112	(1,137)	7,442	6,084
Share-based payments	$ 000's	(253)	704	1,639	2,782
Foreign currency exchange gain/loss	$ 000's	(5,077)	(5,620)	(10,200)	(10,306)
Remeasurement of MDC secured note and stream obligation	$ 000's	-	1,599	-	3,889
Remeasurement of MDN stream obligation	$ 000's	(2,674)	(4,500)	1,744	(4,500)
Retroactive deferred revenue adjustment	$ 000's	-	-	-	2,368
Income taxes	$ 000's	492	4,336	2,608	10,153
Adjusted EBITDA	**$ 000's**	**4,521**	**2,381**	**24,377**	**17,735**

Average realized price and Average realized margin

Average realized price and average realized margin per ounce sold are used by management and investors to better understand the gold price and margin realized throughout a period.

Average realized price is calculated as metal sales per the statement of comprehensive earnings and includes realized gains and losses on gold sales less silver sales, per ounce sold. Average realized margin represents average realized price per gold ounce sold less total cash costs per ounce sold.

		Three Months Ended December 31		Year ended December	
Average realized price and Average realized margin		**2024**	**2023**	**2024**	**2023**
Metal sales	$ 000's	24,383	29,876	116,169	100,101
Less: Silver sales	$ 000's	(1,455)	(263)	(3,137)	(1,044)
Revenues from gold sales	$ 000's	22,928	29,613	113,032	99,057
Gold ounces sold	oz	9,668	15,386	50,777	53,561
Average realized price per gold ounce sold	$/oz	$2,371	$1,925	$2,226	$1,849
Less: Total cash costs per gold ounce sold	$/oz	($1,941)	(1,590)	($1,629)	(1,418)
Average realized margin per gold ounce sold	**$/oz**	**$430**	**$334**	**$597**	**$431**

Direct operating costs

The Company uses the non-IFRS measure of direct operating costs per gold ounce sold to manage and evaluate operating performance. The Company believes that, in addition to conventional measures in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance in accordance with IFRS. The Company considers mine operating expenses per gold ounce sold to be the most comparable IFRS measure to direct operating cost per gold ounce sold and has included calculations of this metric in the reconciliations with the applicable tables to follow.

Direct operating costs per gold ounce sold includes mine direct operating production costs such as mining, processing and administration but does not include depreciation in production, and royalties and production taxes.

Total cash costs

Total cash costs is a common financial performance measure in the gold mining industry but with no standard meaning under IFRS. Cerrado Gold reports total cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include production costs such as mining, processing, refining and site administration, sales expenses and royalties, less share-based compensation and net of silver sales divided by gold ounces sold to arrive at total cash costs per gold ounce sold. The measure also includes other mine related costs incurred such as mine standby costs and current inventory write downs. Production costs are exclusive of depreciation. Production costs include the costs associated with providing the royalty in-kind ounces. Other companies may calculate this measure differently.

All-in Sustaining Costs

All-in sustaining costs per gold payable ounces includes mine direct operating costs (mining, administration and other mine related costs incurred) as well as refining and freight costs, royalties, corporate G&A and sustaining capital costs, less by-product credits, divided by gold payable ounces sold. The measure does not include depreciation, depletion, amortization and reclamation expenses.

The following table provides a reconciliation of direct operating costs, cash costs and all-in sustaining costs to mine operating expenses, as reported in the Company's consolidated statement of income years ended December 31, 2024 and 2023:

		Three Months Ended December 31		Year ended December	
Direct operating costs		**2024**	**2023**	**2024**	**2023**
Mine operating expenses (from consolidated financial statements)	$ 000's	30,198	28,570	106,170	86,282
Deduct: Depreciation in production	$ 000's	(9,973)	(3,838)	(20,279)	(9,274)
Total cash costs (including royalties)	$ 000's	20,225	24,732	85,891	77,008
Deduct: Royalties and production taxes	$ 000's	(552)	(3,194)	(3,828)	(10,231)
Direct operating costs	**$ 000's**	**$19,673**	**$21,538**	**82,063**	**$66,777**

		Three Months Ended December 31		Year ended December	
AISC per Au payable pound sold	**Unit**	**2024**	**2023**	**2024**	**2023**
Gold ounces sold	oz	9,668	15,386	50,777	53,561
Total Cash Cost Reconciliation					
Direct operating costs	$ 000's	19,673	21,538	82,063	66,777
Deduct: Silver sales	$ 000's	(1,455)	(263)	(3,137)	(1,044)
Total Direct Operating Costs	$ 000's	18,218	21,275	78,926	65,733
Royalties and production taxes	$ 000's	552	3,194	3,828	10,231
Total Cash Costs	**$000's**	**18,770**	**24,469**	**82,754**	**75,964**
Direct operating costs per gold ounce sold	$/oz	$1,884	$1,383	$1,554	$1,227
Royalties and production taxes per gold ounce sold	$/oz	$57	$208	$75	$191
Total cash costs per gold ounce sold	**$/oz**	**$1,941**	**$1,590**	**$1,629**	**$1,418**
All-In Sustaining Costs (AISC) Reconciliation.					
Total Cash Costs	$ 000's	18,770	24,469	82,754	75,964
Add: Sustaining Capital Expenditures	$ 000's	113	57	1,068	447
Add: Corporate G&A, excluding depreciation and amortization	$ 000's	2,935	3,929	10,650	12,835
Total All-in Sustaining Costs - Consolidated	**$ 000's**	**21,818**	**28,455**	**94,472**	**89,246**
Deduct: Corporate G&A, excluding depreciation and amortization	$ 000's	(2,935)	(3,929)	(10,650)	(12,835)
Total All-in Sustaining Costs - Minera Don Nicolas	**$ 000's**	**18,883**	**24,526**	**83,822**	**76,411**
All-In Sustaining Costs per Ounce Sold - Minera Don Nicolas	**$/oz**	**$1,953**	**$1,594**	**$1,651**	**$1,427**

(1) If the Company were to include Corporate G&A expenses, AISC / Au oz would be $2,257 and $1,861 for the three months and year ended December 31, 2024, compared to $1,849 and $1,666 for the three months and year ended December 31, 2023.

RISKS & UNCERTAINTIES

The Company is subject to significant risks, challenges, and uncertainties, similar to other mineral exploration, development and productions, due to the nature of the mining industry. These risks and uncertainties include, but are not limited to the following:

Liquidity and Additional Financing

The Company's ability to continue its business operations is dependent on management's ability to secure additional financing. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's activities and obligations.

The advancement, and exploration of the Company's properties, including continuing exploration projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Company's properties, or even a loss of property interest, which would have a material adverse effect on the Company's business, financial condition and results of operations.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Mineral Resources and Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Cerrado will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. Cerrado's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

Limited Operating History

The Company has a limited history of operating and generating earnings from operations. The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing.

Dependence on Minera Don Nicolas

While the Company holds and may invest in additional mining and exploration projects in the future, the Minera Don Nicolas mine is currently the Company's only producing asset, providing all of the Company's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Minera Don Nicolas would materially and adversely affect the financial condition and financial sustainability of the Company. Any adverse changes or developments, such as, but not limited to, the inability to successfully complete other work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on the Company's financial performance, results of operations and liquidity. In addition, the results of operations of the Company could be materially and adversely affected by any events which cause the mine to operate at less-than-optimal capacity, including, among other things, equipment failure or shortages of spares, consumables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

Uncertainty of Resource Estimates

The Company has engaged internal and expert independent technical consultants to advise it on, among other things, Mineral Resources, geotechnical, metallurgy and project engineering. The Company believes that these experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. If, however, the work conducted by, and the Mineral Resource estimates of these experts are ultimately found to be incorrect or inadequate in any material respect, such events could materially and adversely affect the Company's future operations, cash flows, earnings, results of operations, financial condition and the economic viability of its projects.

The Mineral Resource Estimate with respect to the Monte Do Carmo project in Brazil are based on limited information acquired through historical drilling conducted by outside third parties as well as from drilling completed by Cerrado. No assurance can be given that anticipated tonnages and grades will be achieved or that the indicated level of recovery or economic value will be realized.

No Defined Mineral Reserves

The Company has not defined any Mineral Reserves on its concessions at the Monte Do Carmo project in Brazil or at the Minera Don Nicolas mine in Argentina and there can be no assurance that any of the concessions under exploration contain commercial quantities of any minerals. Even if commercial quantities of minerals are identified, there can be no assurance that the Company will be able to exploit the resources or, if the Company is able to exploit them, that it will do so on a profitable basis. Substantial expenditures may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing may be required. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; ongoing costs of production; and availability and cost of additional funding.

Metal Price Risk

Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals contained in a deposit will be such that the Company's properties can be mined at a profit. The Company is particularly exposed to the risk of movement in the price of gold. Declining market prices for gold could have a material effect on the Company's profitability.

Foreign Currency Risks

There continue to be risks relating to the uncertain and unpredictable political and economic environment in Argentina, especially at the provincial level in Santa Cruz where Don Nicolas mine is located. Inflation remains a challenge in Argentina and Argentina's central bank enacted a number of foreign currency controls in 2019 and 2020 in an effort to stabilize the local currency.

The MDN mine, which was acquired on March 16, 2020, is a U.S. dollar functional currency entity. Argentina has been considered a hyperinflationary environment with a cumulative inflation rate of over 100% for the last three years.

Effective December 23, 2019, changes to Argentina's tax laws proposed by the Argentine Government were implemented. The changes ratified and extended legislation which was to expire on December 31, 2019 and allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina in order to maintain stability and support the economic recovery of the country. The Argentine Government has not set an expiry date for these restrictions, and they currently remain in place. These capital controls together with additional temporary controls enacted on May 29, 2020, have the effect of: requiring exporters to convert the equivalent value of foreign currency received from the export into Argentine Pesos; requiring the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of currency out of Argentina; requiring Argentine companies to convert foreign currency loans received from abroad into Argentine Pesos; and restricting the sale of Argentine Pesos for foreign currency. Accordingly, the Company is required to convert the equivalent value of proceeds received in foreign currency from the export of all gold doré from the Minera Don Nicolas Mine, into Argentine Pesos. In addition, the Company would be required to obtain the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of profits out of Argentina.

Most recently, on September 16, 2020, Argentina's central bank enacted a new resolution requiring companies to refinance, with at least a two-year term, sixty percent of any debt maturing between October 15, 2020 and March 31, 2021. However, we do not hold any external debt at MDN. Therefore, this newly enacted resolution, is not expected to have a material impact on our financial statements.

Competition and Agreements with Other Parties

The mining industry is competitive in all its phases. The Company will compete with numerous other participants in the search for the acquisition of mineral properties, in the marketing of mineral resources, technical capacity and for financial resources. Their competitors include mining companies that have substantially greater financial resources, staff and facilities than those of the Company, as the case may be. The Company's ability to increase resources in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of mineral resources include price and methods and reliability of delivery.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Regulatory

Cerrado's current and future mining operations including but not limited to exploration, development, production, pricing, marketing and transportation are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

The Company's operations may require licenses from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary approvals, licenses and permits that may be required to carry out exploration and development at its projects. A failure to obtain such approval on a timely basis or material conditions imposed by such authority in connection with the approval would materially affect the prospects of the Company.

Foreign Operations and Political Risk

The Company holds mining and exploration properties in Argentina and Brazil, exposing it to the socioeconomic conditions as well as the laws governing the mining industry in those countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies including carbon taxes; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the jurisdictions in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income, carbon and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country, could adversely affect the Company's exploration, development and production initiatives in these countries.

In Argentina, a 12% export duty was imposed by the government in 2018, revised down to 8% thereafter, which affects the Company's Argentine operations. In the province of Santa Cruz, Argentina, where the Company's MDN mine is located, a new local procurement law was assessed requiring extractive industries to procure at least 50% of their goods and services from registered local providers, which could further impact our operational results.

The Company continues to monitor developments and policies in the jurisdictions in which it operates and the potential impact such developments and policies may have on its operations; however they cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

Environmental

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of resources or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Permits and Licenses

The Company is required to maintain approvals, licenses and permits from various governmental authorities in order to conduct its business. Such approvals, licenses and permits are complex and time consuming to obtain and, depending on the location of the project, may involve multiple governmental agencies.

In addition, the receipt, duration, amendment or renewal of such approvals, licenses and permits are subject to many variables outside the Company's control, including potential legal challenges from various stakeholders such as environmental groups, non-governmental organizations, community groups or other claimants. The requirements to obtain or maintain such licenses and permits are constantly subject to change. The costs and delays associated with obtaining the necessary permits, consents, authorizations and agreements required for the Company's operations may stop or materially delay or restrict it from proceeding with the development of an exploration project or the operation or further development of an existing mine, resulting in a material adverse impact on its business, financial condition and results of operations.

Substantial Capital Requirements & Liquidity

The Company will have to make substantial capital expenditures for the acquisition, exploration, development and production of mineral resources in the future. There can be no assurance that such capital will be available or, if available, will be on reasonable terms.

Issuance of Debt

From time to time, Cerrado may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. Depending on future exploration and development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. Neither the Company's articles nor its by-laws limit the amount of indebtedness that Cerrado may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability. The Company will maintain insurance to protect against certain other risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Title Matters

The Company has taken steps to verify title to mining interests in which it has or is in the process of earning an interest in, including review of condition of title reports, vesting deeds, mining claim location notices and filings, and property tax and other public records and is not presently aware of any title defects. The procedures the Company has undertaken and may undertake in the future to verify title provide no assurance that the underlying properties are not subject to prior agreements or transfers of which the Company is unaware.

Future Financing Requirements

The development and exploration of Cerrados' properties may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Cerrado.

With the acquisition of producing Minera Don Nicolas, the Company is reliant on the expected cash flows from operations of the mine to fund its current and future liabilities. There can be no assurance that operating cash flow or any additional financing will be sufficient for any unexpected development or other costs for the mine.

The amount and timing of raising additional capital, which may involve debt or equity, or a combination of both, may be materially impacted by the economic climate in the capital markets. As a result, the cost and availability of any debt and or equity financing may be restricted. Accordingly, there can be no assurance that the Company will be able to raise sufficient funds to satisfy its contractual obligations or to further explore and develop its projects, as applicable, upon terms acceptable to the Company, or at all.

Dilution

The Company grants stock options and registered share units under its share-based compensation plan. Holders are given an opportunity to profit from an increase in the market price of the Company's common shares with a resulting dilution in the interest of shareholders. The holders of stock options and registered share units may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of common shares in the market, if all of part pf these outstanding rights were exercised, and the possibility of sales of these additional shares may have a negative effect on the price on the Company's common shares.

In addition, the Company may need to raise additional financing in the future through the issuance of additional equity securities. If the Company raises additional funding by issuing additional equity securities, such financings may substantially dilute the interests of shareholders of the Company and reduce the value of their investment in the Company's securities.

Reliance on Management

Shareholders of the Company will be dependent on the management of the Company in respect of the administration and management of all matters relating to the Company and its properties and operations. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result and other persons would be required to manage and operate the Company.

Conflicts of Interest
Certain directors and officers of the Company are also directors and officers of other reporting issuers involved in mineral exploration and development, and conflicts of interest may arise between their duties as officers and directors of the Company, as the case may be, and as officers and directors of such other companies.

Possible Failure to Realize Anticipated Benefits of Future Acquisitions
The Company may complete acquisitions to strengthen its position in the mineral exploration industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own.

Currency Risk
By virtue of the location of its operations and exploration activities, the Company incurs costs and expenses in a number of currencies other than the Canadian and U.S. dollar. The Company has historically raised and expects to continue to raise capital through equity financings principally in Canadian and U.S. dollars, while the majority of its operating and capital costs are incurred in Argentine Pesos and Brazilian Real, giving rise to potential significant foreign currency translation and transaction exposure which could have a material adverse impact upon the Company.

Unfavourable Economic Conditions
The Company's results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payors. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current our future economic climate and financial market conditions could adversely impact our business.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A and the Consolidated Financial Statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

Additional Information

Additional information relating to the Company can also be found on the Company's website www.cerradogold.com.

TECHNICAL INFORMATION

All technical information contained herein has been reviewed and approved by Andrew Croal P.Eng, Chief Technical Officer of the Company. Mr. Croal is a "qualified person" within the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.